

Message Text

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TO AMEMBASSY OSLO

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E.O. 11652: N/A

TAGS:APUB, NO

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO NORWAY

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-
IMPORT BANK RELEASE ON THE DIRECT CREDIT OF \$2,790,000 TO S.A.
UGLANDS REDERI, GRIMSTAD, ORWAY. RELEASE IS SCHEDULED FOR
ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS,
TUESDAY, AUGUST 12, 1975.

QUOTE: EXIMBANK CREDIT OF \$2,790,000 SUPPORTS \$9.3 MILLION SALE
OF U.S. EQUIPMENT TO NORWEIGAN COMPANY

THE BOARD OF DIRECTOS OF THE EXPORT-IMPORT BANK OF THE UNITED
STATES HAS AUTHORIZED A DIRECT CREDIT OF \$2,790,000 TO A.S.
UGLANDS REDERI, GRIMSTAD,
ORWAY, A PRIVATE NORWEGIAN CORP-
ORATION, TO HELP FINANCE A \$9.3 MILLION SALE OF U.S. EQUIPMENT,
ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. THE U.S.
PURCHASES INCLUDE A 2,000 TON CRANE, WINCHES AND ANCHOR HANDLING
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EQUIPMENT REQUIRED FOR THE CONVERSION OF THE "SARITA UGLAND"

TO A CRANESHIP FOR PROBABLY USE IN THE NORTH SEA AREA.
U.S. SUPPLIER OF THE CRANE IS EXPECTED TO BE CLYDE IRON WORKS,
DULUTH, MINNESOTA, AND THE WINCHES AND ANCHOR-HANDLING SYSTEM
FROM SKAGIT CORPORATION, SEDRO-WOOLLEY, WASHINGTON. THE CRANE
WILL BE ONE OF THE LARGEST EVER CONSTRUCTED FOR LAND OR SEA.
THIS U.S. SALE IS CONSIDERED TO BE SIGNIFICANT DUE TO THE FACT
THAT BIDS WERE ALSO SOLICITED FROM FOREIGN SUPPLIERS OF THIS
TYPE OF EQUIPMENT.

THE EXIMBANK CREDIT REPRESENTS 30 PERCENT OF THE TOTAL U.S.
SALE. A COMMERCIAL BANK CREDIT OF \$5,580,000 WILL COVER 60
PERCENT OF THE U.S. COSTS, AND A/S UGLANDS REDERI WILL MAKE CASH
PAYMENT OF 10 PERCENT, REPRESENTING THE BALANCE OF THE U.S.
COSTS.

INTEREST ON EXIMBANK'S LOAN WILL BE AT 8 PERCENT PER ANNUM.
THIS RATE COMBINED WITH THE ESTIMATED INTEREST FROM PRIVATE
SOURCES, BASED ON CURRENT RATES, WILL RESULT IN A BLENDED
ANNUAL INTEREST COST TO THE BORROWER OF ABOUT 8.67 PERCENT TO
8.92 PERCENT.

THE LOANS ARE TO BE REPAYED IN 10 SEMIANNUAL INSTALLMENTS
BEGINNING FEBRUARY 10, 1977. REPAYMENT OF EXIMBANK'S LOAN IS
TO BE GUARANTEED BY NORDIC BANK LIMITED, LONDON. UNQUOTE
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Subject: PRESS RELEASE ON EXIMBANK CREDIT TO NORWAY FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-
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